

NO ANALYSIS REQUIRED

Author: Karnette Analyst: Jeani Brent Bill Number: SB 1814

Related Bills: See Prior Analysis Telephone: 845-3410 Amended Date: 04/13/98

Attorney: Doug Bramhall Sponsor: _____

SUBJECT: Enterprise Zone Employers' Wage Credit/Increase Amount of Credit/
Modify Qualified Wages Definition

- ☐ ANALYSIS NOT REQUIRED of this bill -- Not within scope of responsibility of this department.
- ☐ TECHNICAL BILL -- No program or fiscal changes to existing program.
- ☐ BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department and should be reviewed for reassignment to another department.
- ☐ TECHNICAL AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is _____.
- ☐ MINOR AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is _____.
- ☐ MINOR AMENDMENT - No change in approved position of _____. See comments below.
- ☒ OTHER - See comments below.

COMMENTS:

This bill would make the following changes to the enterprise zone employer wage credit (hiring credit):

1. Double the percent of "qualified wages" that qualify for the credit allowable to taxpayers for each taxable or income year.
2. Increase the amount of wages that qualify for the credit by changing the definition of "qualified wages" to the amount of wages paid to qualified employees (other than those employed in the Long Beach Enterprise Zone) that exceeds the minimum wage, but does not exceed the "state average hourly wage."
3. Provide that "qualified wages" are the amount of wages paid to up to 1,350 qualified employees employed in the Long Beach Enterprise Zone in aircraft manufacturing activities that exceeds the minimum wage, but does not exceed 125% of the "state average hourly wage."
4. Provide that qualified wages include any amount paid by an employer for a qualified employee's health insurance premium.

The April 13, 1998, amendments incorporate the amendments discussed in the department's prior analysis of this bill as proposed to be amended, which still applies.

DEPARTMENTS THAT MAY BE AFFECTED:

___ STATE MANDATE

___ GOVERNOR'S APPOINTMENT

Department Staff Position:

☐ S ☐ O
☐ SA ☐ OUA
☐ N ☐ NP
☐ NA ☐ NAR
☒ X ☐ PENDING

Agency Secretary Position:

☐ S ☐ O
☐ SA ☐ OUA
☐ N ☐ NP
☐ NA ☐ NAR
DEFER TO _____

GOVERNOR'S OFFICE USE

Position Approved _____
Position Disapproved _____
Position Noted _____

Franchise Tax Board Staff Date
Jeani Brent **4/27/98**

Agency Secretary Date

By: Date: